

Statement at Markup of China Permanent NTR Legislation

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House Committee on Ways and Means
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Mr. Chairman, Congressman Rangel, Members of the Committee:

As the Committee takes up the legislation to extend permanent Normal Trade Relations to China, you will open one of the most important trade and foreign policy debates Americans have held in many years. Let me make only two very brief comments as we begin.

TRADE IMPLICATIONS

First, with respect to the trade merits, there is nothing to lose and much to gain. To enter the World Trade Organization, China has made comprehensive, one-way trade concessions addressing each of our major concerns. These concessions:

- Open China's markets to American exports of industrial goods, services and agriculture to a degree unprecedented in the modern era.
- Strengthen our guarantees of fair trade.
- Give us far greater ability to enforce China's trade commitments.
- And facilitate the WTO accession of Taiwan, which has made an equally valuable set of market access commitments.

By contrast, as is clear in the legislation before the Committee, we change no market access policies -- not a single tariff line. We amend none of our trade laws. We change none of our laws controlling the export of sensitive technology. To win the benefits of China's concessions, we agree only to maintain the market access policies we already apply to China, and have for over 20 years, by making China's current Normal Trade Relations status permanent.

STRATEGIC STAKES

Second, the consequence of your action today will extend well beyond tariff lines and export statistics to America's most profound national interests.

The last message President Franklin Roosevelt sent to Congress, seventeen days before his death, called for the opening of the negotiations which led to the first GATT agreement in 1947. Roosevelt called the GATT initiative a chance to "lay the economic basis for the secure and peaceful world we all desire." He closed this message by saying:

“The point in history at which we stand is full of promise and danger. The world will either move toward unity and widely shared prosperity, or it will move apart... We have a chance, we citizens of the United States, to use our influence in favor of a more united and cooperating world. Whether we do so will determine, as far as it is in our power, the kind of lives our grandchildren will live.”

Fifty-five years later, we have arrived at a similar historic moment.

China – the world’s largest nation, once among the great enemies of the open, peaceful and free world Roosevelt envisioned – has made the commitment to join the trading system which dates to this Presidential message. It has done so, as I noted, through a comprehensive, historic, one-way set of trade concessions.

It is quite true that our relationship with China today remains marked by both deep-seated differences and moments of tension. Neither this WTO accession nor any trade agreement will solve them all; and in our disagreements, Americans must and will assert our values and interests with firmness and candor.

But the WTO accession, together with PNTR, will address a number of these concerns. It is first and foremost a way of redressing an imbalanced trade relationship, but many Hong Kong and Chinese activists for democracy and human rights – Bao Tong, jailed for seven years after Tiananmen Square, whose appeal to the UN Human Rights Commission drew worldwide sympathy last month; Martin Lee, the leader of Hong Kong’s Democratic Party; Ren Wanding, a founder of China’s modern human rights movement – also see this as China’s most important step toward reform in twenty years.

In a deeper sense, it is a test of our strategic vision. If we reject a comprehensive set of one-way concessions, we make a dark statement about the future possibility of stable, mutually beneficial relations with the world’s largest country. This would have severe consequences for all the issues on our China policy agenda; gravely shake the confidence of our Pacific allies; and make our present disagreements more likely to lead to crisis and long-term tension in the Pacific.

To opponents of PNTR, one might ask: what would you tell American farm families, for whom it is a ray of hope in economic crisis? What options for reform would you suggest to Mr. Bao, or Councillor Lee? What explanation would you give our Asian allies and our servicepeople in Korea?

CONCLUSION

By contrast, the legislation before the Committee offers us a remarkable opportunity to advance each of the principal goals of our Pacific strategy.

Over three decades, trade policy has not only helped us to achieve concrete American

interests; but promoted reform and opening within China, and strengthened China's stake in prosperity and stability throughout Asia. Together with our Pacific alliances and military commitments; in tandem with our advocacy of human rights; and in the best tradition of postwar American leadership; it has helped us build a relationship with the world's largest nation which strengthens guarantees of peace and security for us and for the world.

China's WTO accession, together with PNTR, will be the most important such step in decades. Let history show that we had the wisdom, the confidence and the vision this moment of danger and promise requires.

Mr. Chairman, Congressman Rangel, Members of the Committee, I thank you very much.